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FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC PRIORITY 6970
INFO RUCNCIS/CIS COLLECTIVE
RUEHDX/MOSCOW POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 000377

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DEPT FOR EUR/RUS

E.O. 12958: DECL: 01/30/2017
TAGS: [PGOV](#) [PINR](#) [KDEM](#) [RS](#)
SUBJECT: UNITED RUSSIA: CORRUPTION AND THE ELECTION CAMPAIGN

Classified By: Pol M/C Alice G. Wells: Reason 1.4 (d).

Summary

¶1. (C) As the campaign for the December State Duma election gets underway, the Kremlin-sponsored United Russia (YR) party has announced initiatives to fight Russia's long-festering problem of corruption. Observers expect that, as in past years, the anti-corruption mantra will largely be used to control or eliminate political opponents, and to fish for votes in the upcoming elections. With corruption widely believed to be on the increase, and YR-associated government officials the chief offenders, the party is attempting to seize the initiative on this key issue. End summary.

Corruption in Russia

¶2. (SBU) Corruption in Russia is widespread and deeply rooted. Seventy-eight percent of Russians believe that corruption is high and that government officials are the chief offenders, according to a November 2006 poll by the All Russia Public Opinion Research Center (VTsIOM). United Russia (YR) party officials have told us that their polls have highlighted corruption as the voting public's single greatest concern. While businesses pay the largest bribes, ordinary Russians often pay as well in order to receive basic services such as access to medical care, higher education, and housing.

United Russia's Anti-Corruption Program

¶3. (U) In openly worrying about corruption (even while dismissing it as "transitional," and "not unique to Russia"), YR is closely following the lead of President Putin. (On April 10, 2006, Putin told his cabinet that high-level corruption must be eliminated. On May 10, 2006, in his annual address to the Federal Assembly, Putin cited corruption as a major drag on Russia's economy.) At YR's December 2006 party convention in Yekaterinburg, Mikhail Grishankov, United Russia member and chairman of the Duma's Anti-Corruption Commission, outlined new, anti-corruption initiatives, and the party termed the fight against corruption a "priority." Initiatives described by Grishankov included creating an independent anti-corruption body directly controlled by the President and increasing transparency in the reporting of earning and expenses of public officials and their families. YR Presidium Deputy Secretary Vladimir Katrenko announced plans to introduce

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anti-corruption legislation required for Russia's February 2007 accession to GRECO (the Council of Europe's anti-corruption league) this spring. (Note: Russia has yet to ratify the OECD Anti-Bribery Convention, a requirement for OECD membership.)

14. (SBU) YR Chairman Boris Gрызлов has spoken frequently since the convention about the need to attack corruption, but (perhaps sensing his party's vulnerability on this issue) he has stressed that a public that offers bribes is as responsible for the corrupt state of affairs as the bureaucrats who take their money. Gрызлов has been at pains to insist that the current, YR-controlled Duma's failure to pass an anti-corruption law did not mean that his party was not serious about attacking the problem. His party planned to manage corruption, Gрызлов has said, by increasing control over Russia's sprawling bureaucracy.

15. (SBU) In addition to making encouraging noises about combating corruption, YR has been quick to expel YR officials accused of engaging in corrupt behavior. In a recent exchange, YR Duma Deputy Gennadiy Raykov rejected charges by KPRF Duma Deputy Valeriy Rashkin that 107 members of YR's local organizations have been charged with corruption by arguing that, once charged, officials were expelled from the party, and hence no longer the responsibility of YR.

Cynicism Among the Experts

16. (SBU) In a recent conversation, the Moscow Carnegie Center's Nikolay Petrov was skeptical that YR's anti-corruption measures were anything other than election-year politics. He noted that government employees -- YR's base -- were the main offenders and beneficiaries of

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corruption. Petrov allowed that everyone in politics agrees with President Putin that corruption is a net negative for the economy, but said the practice is too deeply embedded to address without "completely changing the political order." Petrov found some consolation in the YR's "lip service" because "it at least shows that they are listening to the electorate. Now, we just have to get them to act."

17. (SBU) Carnegie civil society expert Masha Lipman seconded Petrov's pessimism. She told us it was unlikely that there would be even a theoretical consensus for changing the status quo as long as oil and gas prices remained high enough to allow both corruption and a reasonable standard of living for the majority of the population. Lipman maintained that the degree of corruption was, if anything, increasing in advance of the 2007-2008 national elections.

18. (SBU) The Public Chamber's Anti-Corruption Commission's Chairman Andrey Przhezdonskiy told us that corruption was a source of widespread concern among Russia's political classes, especially as it seemed to be growing. Przhezdonskiy told us that his Commission recently sent to the Presidential Administration, the Duma, and the law enforcement chiefs recommendations designed to begin the difficult task of combating corruption. Still, Przhezdonskiy acknowledged that a buoyant economy had meant that nagging popular concern about corruption had yet to crystallize into an imperative for immediate action. Also playing a role, he said, was Russia's "tradition" of corruption. Przhezdonskiy said, however, that the government had made an important first step in acknowledging the problem, but agreed that it lacked the will to make serious inroads.

19. (C) The head of Russia's branch of Transparency International (TI), Yelena Panfilova, was also skeptical. She viewed the recent calls to fight corruption as an "unbeatable" theme for an election campaign, noting that it

appealed to Russian citizens while at the same time allowing those in power to eliminate "corrupt" opponents. In her opinion, this latest round in the corruption fight reprised the 2003 Duma election campaign, when candidate Boris Gryzlov (now the Chairman of the State Duma and President of YR) crusaded against corrupt law enforcement officials. As with that campaign, there would be no lasting results, she predicted.

¶10. (C) Panfilova said her litmus test for a "sincere" anti-corruption campaign would be the successful prosecution of one of Putin's inner circle. Panfilova told us that the websites www.kompromat.ru and www.vzyatka.ru posted increasingly accurate information about all variants of corruption and demonstrated there was ample information to incriminate elected officials, prominent bureaucrats, businessmen, and politicians. She thought that, at best, the "elite's" efforts to remain in power might lead to an unintended side-effect of an incremental and temporary reduction in corruption. (Note: TI-Russia is cooperating with USAID on a study that will monitor the abuse of public resources in the 2007 and 2008 election campaigns.)

Comment

¶11. (C) YR's latest campaign can be seen largely as an effort to insulate the party from charges its members have enriched themselves. The newly-formed second pro-Kremlin party, "A Just Russia" (SR), may seek to play the corruption card against YR. However, many SR leaders have also been senior officials and politicians, and thus are subject to counter-charges.
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